

PERSONAL PROPERTY UTILIZATION AND DISPOSAL GUIDE GENERAL INFORMATION

PREFACE

The Federal Government purchases more supplies and materials than any other entity in the world. Thus, the Government continually confronts the enormous problem of disposing of excess and surplus personal property. Effective and efficient utilization and disposal of Government-owned personal property is one of the most important phases in the Federal property management program, as mandated in the Federal Property and Administrative Services Act of 1949, as amended.

The Federal utilization and disposal program, one of the largest property management programs in the Government, encompasses redistribution, utilization, donation, sale, and abandonment or destruction of Government-owned personal property. The Federal Property Management Regulations (FPMR) require executive agencies to use excess personal property as the first source of supply to the fullest extent possible. As a result, Federal property managers save millions of taxpayers dollars each year by acquiring and using excess personal property.

This guide serves as an index and synopsis of personal property provisions in Federal Property Management Regulations (FPMR), Subchapter H (41 CFR 101-43 through 49), and is provided to assist those individuals who directly or indirectly reassign, utilize, and/or dispose of agency personal property. It is not all-inclusive and users are encouraged to refer to cited regulations for comprehensive coverage of specific disposal policies and procedures.

GENERAL FACTS ABOUT UTILIZATION AND DISPOSAL OF PERSONAL PROPERTY

Excess property is a genuine bargain because it saves money on unnecessary procurements and is immediately available. This program is available to all Federal Agencies, including their cost reimbursement contractors, cooperatives and project grantees. All Federal property managers are encouraged to contact the appropriate GSA Federal Supply Service Bureau (FSSB), identified later in this guide, for information on available excess property.

Requesting agencies are placed on mailing lists to receive regional excess property catalogs and bulletins, and may obtain instant visibility of available excess property through GSA's MUFFIN online inquiry system. Requirements can be submitted by telephone, letter, or by GSA Form 1539. Every attempt is made to match requirements from local or national excess inventories. If requested property is not currently available, "want lists" are screened for a period of 180 days unless requested otherwise.

If no Federal use requirements are identified, excess property is declared surplus by GSA. It is then made available through the Donation Program to State and local public agencies and eligible nonprofit educational or public health activities. Surplus property not selected through the donation process is offered for sale to the general public. Sale proceeds are returned to the Federal treasury or, when authorized, to generating agency accounts. Under certain conditions, agencies sell their own surplus property. FSSBs also sell property not excess to agency needs, but

scheduled for replacement under the exchange/sale authority. Exchange/sale proceeds are returned to agencies to offset the purchase of similar items.

The Utilization, Donation, and Sales Programs are conducted by the FSSBs and the Area Utilization Officers (AUOs). AUOs are FSSB field representatives serving a particular geographical area who screen and inspect excess property and assist in the donation and sales processes. AUO locations and telephone numbers may be obtained by contacting the nearest FSSB.

ABANDONMENT AND DESTRUCTION GUIDELINES (FPMR 101 45.9)

General

The disposal process for Federal excess and surplus personal property is as follows:

- * Utilization;**
- * Donation;**
- * Sale; and**
- * Abandonment or destruction.**

Normally, property reaches the abandonment or destruction phase only after utilization, donation, and sale efforts have produced no results. It has been thus demonstrated that the property has no utilization, donation, or sales value and is eligible for disposition through abandonment or destruction. In certain cases, disposal by abandonment or destruction is authorized by law, regulation, or agency directive for reasons of public health, safety, or security. Depending on the cited reason or authority, abandonment or destruction can take place at any time during the disposal process.

Abandonment or destruction of Federal excess and surplus property must be documented properly and must meet all audit trail requirements. Great care should be taken to fully justify and document all actions related to abandonment or destruction.

Procedures

The first requirement for a holding agency in preparing to dispose of property through abandonment or destruction is to determine the proper authority. The authorities are:

The property has no commercial value. No commercial value means that the property, through determination, has neither utility nor monetary value (either as an item or as scrap).

The cost of care, handling, and preparation of the property for sale would be greater than the expected sale proceeds (estimated fair market value).

A law, regulation, or directive requires abandonment or destruction.

Written instructions by a duly authorized official (health, safety, security) directs abandonment or destruction.

After selecting the appropriate authority, the holding agency prepares a written finding justifying the abandonment or destruction action (see FPMR 101-45 902(a)). The written finding includes:

- * A detailed description of the property, condition, and total acquisition cost.**
- * The authority for the abandonment or destruction action along with any pertinent supporting documentation.**
- * A statement describing the proposed method of destruction (i.e., burning, burying, etc.) or the abandonment location.**
- * A statement that the proposed abandonment or destruction action will not be detrimental or dangerous to public health or safety, and will not infringe on the rights of other persons.**
- * The signature of the appropriate agency official approving the abandonment or destruction.**
- * Request for abandonment or destruction approval for property with an acquisition cost of over \$1,000 should, in addition to the signature of the agency approving official, include the title, telephone number, and signature of the agency reviewing authority.**

Following appropriate approval, the holding agency must provide for public notice of the abandonment or destruction action. Public notice will be given in the area in which the property is located and should be for a period not less than 7 calendar days. The public notice will include:

- * A general description of the property.**
- * The date and location of the abandonment or destruction action.**
- * An offer to donate the property to public bodies (see FPMR 101-44.7).**
- * An offer to sell the property.**

The public can be notified by posting announcements in public places, or publishing the announcement in organizational newsletters or local newspapers. Sale of property pending abandonment or destruction action may be carried out by the holding agency or the appropriate GSA regional sales office.

There are exceptions to the requirement for public notice of abandonment or destruction action. The exceptions are when:

In the best interest of the public, immediate abandonment or destruction is necessary or desirable because of the nature of the property or because of the difficulty or expense of its care and handling. In this case, the written justification and approval by the agency reviewing authority should indicate one of the following:

The value of the property is so little or the cost of care and handling is so great that retention and advertising for sale is clearly uneconomical.

Immediate abandonment or destruction is required because of health, safety, or security considerations.

The property to be abandoned or destroyed is unserviceable, expendable property, such as obsolete unclassified navigation charts, electric light bulbs, radio tubes, fuses, resistors, capacitors, air filters, dust cloths, etc., and the accumulation of this type of property is uneconomical and not

in the best interest of the Government.

A single line item of property to be abandoned or destroyed at any one location at any one time has an acquisition cost of less than \$500.

Following the abandonment or destruction, a certificate of abandonment or destruction should be prepared by the holding agency to document the action and satisfy audit trail requirements. This certification shall be made part of the official holding agency property account records. The certification should read as follows:

I certify that (Identify Items) were (abandoned destroyed)
In the manner authorized by the Federal Property Management
Regulations and other applicable regulations.

Agency official Date

I have witnessed the (abandonment or destruction) of the
described property in the manner and on the date stated
herein.

Witness Date

The certification is signed by an authorized official of the
holding agency and a holding agency employee that actually
witnessed the abandonment or destruction action.

PUBLIC NOTICE OF ABANDONMENT OR DESTRUCTION

1. NOTICE

NOTICE is hereby given that the _____proposes
to initiate abandonment or destruction procedures for the
following surplus Government property

Item name: _____

General description: _____

NSN: _____

Quantity: _____

Condition: _____

Unit of issue: _____

Total acq. cost:_____

2. DONATION

Beginning on _____ until
close of business:_____ the
above property will be available for donation to public
bodies. After this time, remaining property will be
abandoned or destroyed in accordance with applicable
Government disposal regulations.

3. SALE

Notwithstanding the above, commencing with the posting of
this notice and so long as the property is available, the
Government will consider the sale of all or any portion of
this property to any or all interested parties on a first-
come, first served basis.

4. INSPECTION

This property is available for inspection at _____
from _____ to _____ Monday thru Friday, excluding
holidays and weekends. Interested parties are invited to
contact:

TECHNIQUES TO ACCELERATE THE DISPOSAL PROCESS

This section focuses on procedures for streamlining the disposal process.

Report Promptly

Advance screening of excess property will enable holding agencies to
include utilization or disposal with acquisition. Reports of predetermined
excess should indicate the earliest date property will become available.

Contact the GSA Region if Expedited Disposal Required

If unforeseen circumstances make it necessary to accelerate the disposal
process, the GSA disposal timeframes can be altered provided GSA is aware
of the urgency. Contact the GSA regional office to request accelerated
disposal action.

Provide Accurate Description and Condition Codes

Proper condition coding is second only to a complete and accurate
description of the property. Condition codes should be assigned as if you
were going to be the ultimate user of the property. Indiscriminate
downgrading of property is a violation of regulations and often delays the
disposal of the property.

Notify GSA of Changes

GSA must be notified if items have been withdrawn or their condition has changed since property was reported. Failure to provide such information will waste resources of agency screeners.

Follow Up

Property transferred, donated, or sold by GSA should be removed within 20, 15, and 20 days respectively. GSA should be notified of property removal delays so remedial action can be taken.

Promote Local Screening for Nonreportable Property

The FPMR establishes local 21 -day utilization and 21 -day donation cycles for nonreportable property prior to sales disposition. Initiate nonreportable cycles by calling GSA and other Federal screeners on the first day of the utilization cycle and for property that survives utilization screening contact the State Agency for Surplus Property to begin screening on the first day of the donation cycle

Exercise Delegated Sales Authorities

Limited agency sales can be held much more rapidly than regionwide GSA conducted sales with property from many different agencies (see FPMR 101-45 304-3).

Implement Prompt Abandonment or Destruction

FPMR Subpart 101-45.9 provides authority and procedures for the orderly abandonment and destruction of property. Depending on the cited reason or authority, abandonment or destruction can be effected at any time during the disposal process.